

## TESTIMONY

By Deborah R. Hoyt, President and CEO  
The Connecticut Association for Healthcare at Home

### **Connecticut Healthcare Cabinet Public Hearing on Public Act 15-146 Cost Containment Strategies November 15, 2016**

Good morning Lieutenant Governor Wyman and honorable members of the Healthcare Cabinet. My name is Deborah Hoyt, President and CEO of the Connecticut Association for Healthcare at Home.

The Association is the united voice for the State's licensed home and behavioral health providers, as well as hospice agencies that have been providing cost-effective, person-centered skilled healthcare in the home for Connecticut's Medicaid population for decades.

Thank you for the opportunity to comment on Bailit Health's cost containment strategies.

As you are aware, the home health provider community has been an active partner with the State of CT, particularly with DSS and DMHAS, in successfully advancing the State's Rebalancing and Long Term Services and Supports Plan by transitioning Medicaid individuals from institutional settings to home and community-based care.

We are committed to continuing the work of successfully managing high-cost, high-needs clients covered under Medicaid Waiver programs, Money Follows the Person (MFP), and the CT Homecare Program for Elders (CHCPE) by managing chronic conditions, medications, wound care needs, rehabilitation and post-operative requirements in the home – the lowest cost healthcare setting and the place that 9 out of 10 individuals express they prefer most.

**Cost containment is working under the rebalancing strategy** and we support DSS's strategy of managing utilization and cost through the efforts of medical and behavioral health Administrative Service Organizations.

**According to 2015 State data, Connecticut's home and community-based service providers have SAVED the Department of Social Services (DSS) more than \$621.2-million over a six-year period (2009-2014), or an average of \$103-million per year under CHCPE and MFP.**

A recently released report by Connecticut AARP/Health Management Associates on Connecticut home and community-based services concludes that:



- “Home and Community-Based Services are a cost-effective alternative to institutional care, and source of significant savings to the State of CT General Fund.”
- “Connecticut can serve nearly three individuals in the community for every person served in a nursing home.”
- “Home and Community-Based Services are an important resource for family caregivers supporting their loved ones ...who are trying to balance their care giving responsibilities with their own work responsibilities.”

Additionally, a 2013 AARP review of 38 Home and Community-Based studies from 25 states revealed a common theme: “consistent evidence of cost containment and a slower rate of spending growth (are a byproduct of) states expanding home and community-based services.”

It’s clearly supported by state and national data that coordinated healthcare provided in the home is a critical component of efficient healthcare delivery systems and should be central to the proposed Consumer Care Organizations (CCO).

We are already witnessing CT’s home health agencies aligning with providers across the care continuum based on quality, outcomes and value under demonstration projects and other Medicare Affordable Care Act initiatives. Ensuring that all provider types along with their Association representatives have a seat at the table to discuss the structure and risk components of CCOs is critical to ensuring future CCO success and sustainability.

For Medicaid CCOs to perform favorably, the up and downside risk, along with reimbursement structure needs to be appropriately constructed to cover the provider’s direct costs along with the cost of regulatory and other business requirements.

CT’s licensed home health providers are a significant savings vehicle for the State Medicaid program, yet the providers have been sorely under-reimbursed (60 cents on the dollar), with only a 1 percent rate increase in the past 10 years. This is the opportunity to take a comprehensive look at provider reimbursement, network adequacy and Medicaid client access.

Thank you for the opportunity to share the Association’s perspective. I am available to be a resource or answer questions you may have.

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